

## Board of County Commissioners Agenda Request

Date of Meeting: February 25, 2003

Date Submitted: February 20, 2003

To: Honorable Chairman and Members of the Board

From: Finance Advisory Committee:  
Parwez Alam, County Administrator  
Bill Bogan, Finance Director  
Bob Inzer, Clerk of the Circuit Court  
Alan Rosenzweig, Director, Office of Management and Budget  
Herb W. A. Thiele, Esq., County Attorney

Subject: Approval of Financing Plan - Bank of America Building Purchase

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### **Statement of Issue:**

Request the Board approve a negotiated bond sale not to exceed \$20 million for the purposes of acquiring the Bank of America Building and associated capital projects at the existing Courthouse utilizing A.G. Edwards as the Senior Underwriter and Jackson Securities as the Co-Manager.

### **Background:**

On January 28, 200<sup>3</sup>, the Board approved the purchase of the Bank of America Building (BOA). Included in the materials presented to the Board on January 28, 2002, was a preliminary financing plan to acquire the building and provide funds for necessary improvements to the both the Bank of America Building and the existing Courthouse.

Subsequent to January 28, 2002, the County's Finance Advisory Committee has been meeting with the County's Financial Advisor and Bond Counsel to determine specific recommendations and requirements associated with this transaction.

### **Analysis:**

The Board has authorized the purchase of the BOA Building for approximately \$15.150 million. This project requires providing funding for renovations at the BOA and the existing Courthouse associated with the relocation of the various tenants. In addition, the bond includes \$4.5 million for anticipated retrofit costs associated with the Courthouse parking garage and other maintenance needs of the Courthouse. Attachment #1 contains a preliminary estimate from Facilities Management regarding these costs. Figure 1.0 provides a summary of anticipated capital project resources and expenditures through Fiscal Year 2008. Attachment #2 provides a more detailed annual anticipated cash flow for the capital projects.

Agenda Request: Approval of Financing Plan - Bank of America Building Purchase  
February 28, 2003  
Page 2

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Figure 1.0: Resources & Expenditures

Resources		
Traffic Court CIP	\$1,771,000	
Long Term Space CIP	\$4,189,000	
Sale of Traffic Court	\$1,250,000	
BOA Bond	\$20,000,000	
<b>Total Resources</b>		<b>\$27,210,000</b>
Expenditures (through FY2008)		
Purchase BOA	\$15,150,000	
Renovations BOA	\$4,927,410	
Renovations Courthouse	\$2,632,590	
Courthouse Parking/Maintenance	\$4,500,000	
<b>Total Expenditures</b>		<b>\$27,210,000</b>

Based on discussions with County Bond Counsel, a determination has been made that the majority of the purchase price and renovations associated with the BOA will require the issuance of taxable debt. Based on a preliminary analysis, the bond financing will consist of \$13.0 million in municipal taxable debt and \$7.0 million in tax exempt debt. The taxable status is the direct result of the County desiring to retain a significant portion of the facility as income generating space.

Attachment #3 is a schedule showing the annual projected debt service requirements associated with the new bond issue and this new issue's overall relationship to the County's existing debt service requirements. These projections include operating expenses in County-occupied space in the BOA. The debt service schedule for the new issue is being structured to complement the County's existing debt service. This approach allows two things to occur: 1) income from the BOA can be utilized to offset the new debt service and 2) growth in existing revenues currently being utilized for debt service can be used to offset any future debt service requirements.

#### Method of Sale

County Policy 95-1 (Attachment #4) provides guidelines for the method of sale for a bond transaction. Specifically, the policy recommends competitive sales when the bond transaction "is not viewed as complex, innovative or requiring explanation in the market." Due to the structure of the financing requiring the majority of the debt to be issued taxable, and the requirements associated with the timetable for closing, the County's Finance Advisor has recommended the issuance of debt through a negotiated process. The Finance Advisor's recommendation can be found in Attachment #5. The Finance Advisory Committee concurs with this recommendation.

Agenda Request: Approval of Financing Plan - Bank of America Building Purchase  
February 28, 2003  
Page 3

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**Underwriter Selection**

At the March 9, 1999 Board meeting, the Board selected a team of Investment Banking firms for future bond financing for Leon County. The original RFP stated the team selected would serve for three years with one two year extension available. In order to utilize members of the existing team of underwriters, the Board needs to authorize the two year extension. The County had received fifteen proposals and five firms were selected: A.G. Edwards, First Union, Jackson Securities, Paine Webber and Salomon Smith Barney. Neither First Union nor its successor currently participate in public financing. The Board designated Salomon Smith Barney as the Senior Manager for the next bond issued by the County. For the Series 1999 Bonds, Salomon Smith Barney acted as the Senior Manager and Jackson Securities, a MBE, performed as the Co-Manager.

The County's financial advisor and the Finance Advisory Committee strongly recommends utilizing members from the existing underwriting team. The Finance Advisory Committee recommends utilizing A.G. Edwards as the Senior Underwriter and Jackson Securities as the Co-Manager.

If the Board elects not to utilize the existing underwriting team, then it is recommended a Request for Proposal be issued to select an underwriter(s) for the County. If necessary, a draft proposal is attached for the Board's consideration (Attachment #6).

**Additional Financing Issues - Land Sales**

As discussed above, the proposed financing plan addresses the anticipated requirements for both the Courthouse and BOA through fiscal year 2008. Based on preliminary analysis for the long term needs of both facilities, Attachment #2 provides additional requirements from Fiscal Year 2009 through Fiscal Year 2012. As with any investment of this magnitude it is difficult to determine what the actual long term costs requirements will be and when they will occur. To help mitigate these potential impacts, the County is proposing selling the approximate 80 acres at Eastwood/Weems (near Tom Brown park) as discussed in Board workshops on March 19, 2002 and October 15, 2002, and in December 10, 2002 and January 28, 2003 agenda items. Although the proceeds of this sale are not required for a number of years, it is important to begin the marketing of this land now to avoid having to sell at a less than desirable price. A separate agenda has been presented for Board consideration to address these land sales.

**Conclusion**

In summary, the Finance Advisory Committee and the County's Financial Advisor recommend extending the award period for the existing underwriting team for two years and authorize A. G. Edwards as the Senior Manager and Jackson Securities as the Co-Manager for a negotiated bond financing not to exceed \$20 million.

**Agenda Request: Approval of Financing Plan - Bank of America Building Purchase**

**February 28, 2003**

**Page 4**

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**Options:**

1. Authorize staff to proceed with developing a negotiated bond sale not to exceed \$20 million.
2. Authorize the extension of two years to utilize the existing team of underwriters and approve utilizing A. G. Edwards as Senior Manager and Jackson Securities as Co-Manager for the issuance of the debt.
3. Authorize the extension of two years to utilize the existing team of underwriters and authorize utilizing a different team of underwriters from the existing pool as determined by the Board.
4. Authorize the issuance of a Request for Proposals to select an underwriter(s) for the issuance of these bonds.
5. Board Direction.

**Recommendation:**

Options #1 and #2.

**Attachments:**

1. Preliminary Information from Facilities Management re: Courthouse
2. Capital Improvement Cash Flow
3. Annual Budget Requirements Schedule
4. County Policy 95-1 "Selecting and Managing the Method of Sale of Local Government Bonds"
5. Memorandum from Financial Advisor, William R. Hough & Co., February 12, 2003
6. Draft Request for Proposal for Investment Banking Services

PA/HWAT/BI/BB/AR/ar

From: Tom Brantley  
To: Dressel, Kim; Rosenzweig, Alan  
Date: 2/20/03 10:04AM  
Subject: Bond estimates

Attachment # 2  
Page 5 of 24

Kim/Alan:

Following are my preliminary estimates for Bond.

I met yesterday with Jeff Parzyk, who is a VP with Aerial Construction, and he gave me his "gut value" of \$2.3 - \$2.4 million for remainder of courthouse parking garage work. This is sight unseen of any designs, and he also has concerns with the extent of injection of cracks that might be required. Jeff said he will work up a more definitive estimate, after speaking with Dr. Mtenga, and get back in touch with me later this week.

The figure noted above is also absent of any design fees or contingency. I would estimate that design fees could run in range of 10% for this work, if awarded altogether, or more if it is split apart. I would think that we would need at least 15% for contingency, since we will be required to address a few major non-contract issues, such as utility relocations, etc. I therefore think that about \$3 million is a reasonable total estimate for the garage rehabilitation work, based on all that we currently know.

The caulk & seal work at Courthouse was quoted to us last year by three contractors. I have invited a fourth contractor (Aerial) to propose something to us. The range of prior estimates received for this work was \$1.36 million, \$1.88 million and \$2.7 million. But the Aerial company has recently exposed us to some things through their relationships with key product manufacturers (Sika, etc.) that have not yet been considered by us, or quoted by anyone. We would really like to see their proposal before we continue.

I will say that we were once looking at this as a straight re-sealing job, but it is now appearing to us that moisture intrusion has created damage that is really quite beyond this. We do not know the current extent of this, and it really is hard to quantify the full extent of what is generally considered as a "hidden condition," that usually is announced and gains address through the corrective process. Design services were also not anticipated for this particular phase of work, unless warranted by other conditions (read on).

FYI, we have just encountered severe corrosion of the metal framing members supporting all of the stone on columns located at front of the Courthouse. We have a few other problems with stone upheaval located around the perimeter of building that are undiagnosed as to cause without the removal of stone, but expect this too is moisture related. The nature of our stone attachments (thin-set adhered to tile board which is screwed into light gauge metal framing), are that the stone panels must be broken in order to remove them, and cannot be re-used but must be replaced. This adds to our overall expense for this work. Therefore, our earlier estimate of this work has likely been inflated to at least \$2 million because of this finding. But even this price is unconfirmed and for now remains just an estimate.

However, it is believed possible to combine these two projects at Courthouse, for sake of reducing the total cost impact to County, and enjoying an "economy of scale." This, of course, assumes that there are qualified contractors available to us who are capable of performing to both parts. Whether other contractors are available to do all this or not, including carbon fiber, prestressing, epoxy injection, re-sealing and full-range structural repair work remains to be seen. But if pursued together, I would think that at least a 10% savings may be possible. Therefore, perhaps a number in range of \$4.5 million is reasonable total estimate for bond.

But then, every day that we wait to correct it, the damage to building further expands and the price of repairs will continue to climb.

Later - Tom

# Capital Improvements - Cash Flow

Fiscal Year	Resources										Expenditures					Year End Balance
	A	B	C	D	E	F	G	H			Purchase BOA	Courthouse Parking & Maintenance	Capital Expenditures BOA	Capital Expenditures Courthouse	Total Capital	
2003		\$ 20,000,000			\$ 1,250,000	\$ 1,771,000	\$ 4,189,000	\$ 27,210,000			\$ 15,150,000	\$ 4,500,000	\$ 3,513,989	\$ 298,822	\$ 23,462,811	\$ 3,747,189
2004	\$ 3,747,189							\$ 3,747,189								\$ 1,813,017
2005	\$ 1,813,017							\$ 1,813,017								\$ 845,898
2006	\$ 845,898							\$ 845,898								\$ 408,369
2007	\$ 408,369							\$ 408,369								\$ 333,369
2008	\$ 333,369							\$ 333,369								\$ 0
Sub		\$ 20,000,000	\$ -	\$ -	\$ 1,250,000	\$ 1,771,000	\$ 4,189,000	\$ 27,210,000			\$ 15,150,000	\$ 4,500,000	\$ 4,927,410	\$ 2,832,580	\$ 27,210,000	\$ 4,418,397
2009	\$ 0							\$ 6,100,000								\$ 1,586,008
2010	\$ 4,418,397							\$ 4,418,397								\$ 1,343,717
2011	\$ 1,586,008							\$ 3,635,092								\$ 0
2012	\$ 1,343,717							\$ 4,175,978								\$ 0
2013																\$ 0
2014																\$ 0
2015																\$ 0
2016																\$ 0
2017																\$ 0
2018																\$ 0
2019																\$ 0
2020																\$ 0
2021																\$ 0
2022																\$ 0
2023																\$ 0
2024																\$ 0
2025																\$ 0
2026																\$ 0

Notes: Table reflects annual anticipated resources and expenditures for Capital Improvements for the BOA and existing Courthouse.

A. Balance - Resources non-committed in prior fiscal year and available for appropriation in subsequent fiscal year.

B. BOA Bond - anticipated proceeds from bond sale

C. Future CIP - reflects resources required to be allocated in a future CIP

D. Sale of "Tom Brown Acreage" - reflects sales of additional acreage associated with Tom Brown park. Sale proceeds not required for acquisition or initial capital improvements at BOA.

E. Sale Traffic Court - reflects anticipated sale of the Traffic Court building on Thomasville Road

F. Traffic Court CIP - reflects existing project balances

G. Long Term Space CIP - reflects existing project balances; amount recently reduced by \$1.5 million for purchase of 1 acre parking lot.

H. Total Resources - total of all resources in columns A through G

I. Purchase BOA - purchase price for the Bank of America Building

J. Courthouse Parking & Maintenance - anticipated costs of parking garage remediation and "caul/seal" of existing courthouse tiles

K. Capital Expenditures BOA - renovation expenditures for the Bank of America Building. Out year expenditures beyond 6 years anticipate upgrades to central systems.

L. Capital Expenditures Courthouse - renovation expenditures at existing Courthouse associated with conversion to Courthouse space.

M. Total Capital - total of all anticipated expenditures in columns L through K.

N. Year End Balance - shows overall uncommitted balance out end of year. This amount flows through to the next fiscal year in Column A.

Annual Budget Requirements

Fiscal Year	Adjusted Gross Income	Operating Expenditures BOA	Income Less Expenses (NET)	Existing Revenues 2.5%	Total Resources	Debt Service "BOA" Bond	Existing Debt Service	Total New Debt Service	Revenue Available General Operations
	A	B	C (A-B)	D	E (C+D)	F	G	H (F+G)	I (E-H)
2003	\$ 2,050,299	\$ 752,304	\$ 1,277,995	\$ 11,138,897	\$ 12,416,892	\$ 837,548	\$ 7,354,745	\$ 7,992,293	\$ 4,424,599
2004	1,900,157	768,478	1,131,679	11,343,783	12,517,462	1,278,868	7,353,652	8,632,520	3,885,144
2005	1,842,462	785,788	1,056,674	11,834,792	12,891,465	1,275,619	7,352,409	8,628,028	4,063,377
2006	1,774,890	805,191	969,699	11,892,075	12,861,465	1,278,961	7,351,798	8,630,759	4,232,815
2007	1,754,220	828,587	925,633	12,155,791	13,083,415	1,277,210	7,354,702	8,631,912	4,451,803
2008	1,782,903	849,221	933,682	12,426,100	13,339,781	1,281,215	7,351,414	8,632,629	4,707,152
2009	1,809,514	869,485	940,029	12,703,186	13,643,185	1,273,776	7,354,236	8,628,012	4,818,173
2010	1,829,864	888,448	941,416	12,987,159	13,930,574	1,275,283	7,353,384	8,628,667	5,001,907
2011	1,839,359	901,093	938,266	13,278,252	14,216,517	1,275,638	7,356,271	8,631,907	5,182,817
2012	1,842,462	913,940	928,522	13,576,622	14,505,144	1,274,901	7,355,708	8,630,610	5,365,533
2013	1,842,462	920,364	922,098	13,882,451	14,804,549	1,278,245	7,351,446	8,629,691	5,548,878
2014	1,842,462	947,991	894,471	14,195,926	15,090,397	1,275,808	7,354,334	8,629,940	5,725,456
2015	1,842,462	978,717	863,745	14,512,238	15,376,083	1,277,007	7,353,040	8,629,047	5,904,152
2016	1,842,462	1,008,725	833,737	14,848,583	15,687,320	1,277,487	7,353,040	8,630,527	6,084,625
2017	1,842,462	1,037,857	804,605	15,184,181	16,000,036	1,277,058	7,353,040	8,630,100	6,265,936
2018	1,842,462	1,070,285	772,177	15,530,179	16,302,356	1,277,058	7,353,040	8,630,100	6,448,256
2019	1,842,462	1,104,101	738,361	15,884,848	16,623,209	1,277,058	7,353,040	8,630,100	6,630,100
2020	1,842,462	1,132,034	710,428	16,248,393	16,958,817	1,277,058	7,353,040	8,630,100	6,812,759
2021	1,842,462	1,156,819	685,643	16,621,006	17,307,622	1,277,058	7,353,040	8,630,100	7,000,517
2022	1,842,462	1,182,199	660,263	17,002,945	17,663,144	1,277,058	7,353,040	8,630,100	7,188,086
2023	1,842,462	1,231,982	610,480	17,394,432	18,004,914	1,277,058	7,353,040	8,630,100	7,375,815
2024	1,842,462	1,273,655	568,807	17,795,707	18,414,414	1,277,058	7,353,040	8,630,100	7,563,663
2025	1,842,462	1,317,350	525,112	18,207,014	18,829,770	1,277,058	7,353,040	8,630,100	7,751,718
2026	1,842,462	1,362,148	480,314	18,629,603	19,251,947	1,277,058	7,353,040	8,630,100	7,940,546

- Notes:
- A: Adjusted Gross Income - anticipated total lease revenue from Bank of America tenants.
  - B: Operating Expenditures BOA - total annual cost to operate BOA
  - C: Income Less Expenses - Adjusted Gross Income less operating expenditures at BOA
  - D: Existing Revenues - reflects total annual revenues currently pledged to existing debt service (1/2 cent sales tax and state guaranteed entitlement)
  - E: Total Resources - the total of net income from the BOA plus existing resources
  - F: Debt Service - total annual principal and interest payments associated with the BOA Bond.
  - G: Existing Debt Service - total annual principal and interest payments for all outstanding County debt secured by non ad valorem revenues. Does not reflect principal and interest associated with Sunshine State Loan secured by infrastructure sales tax.
  - H: Total New Debt Service - total of outstanding debt and BOA Bond debt.
  - I: Revenue Available for General Operations - total resources less total new debt; reflects funds available for County general operations. Current funds available in the annual budget are \$3.8 million; the amount reflected in the table recognizes the fact that the BOA is a revenue generating venture for a number of years.

# **Board of County Commissioners Leon County, Florida**

## **Policy No. 95-1**

**Title:** Selecting and Managing the Method of Sale of Local Government Bonds

**Date Adopted:** February 28, 1995

**Effective Date:** February 29, 1995

**Reference:** N/A

**Policy Superseded:** N/A

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1. The Board of County Commissioners of Leon County, Florida hereby adopts this policy governing the method of sale decision, if it has the ability to make the choice. This policy shall ensure that:
  - a. the method-of-sale decision is based on an analysis of financial, market, transaction-specific and issuer-related factors;
  - b. an evaluation of the most appropriate method of sale is conducted for each issue;
  - c. this jurisdiction can defend its decision, irrespective of which method of sale it chooses.
  
2. Leon County shall use the competitive method of sale when conditions generally favoring that method of sale exist. In order to protect the public's interest and avoid concerns of allegations of impropriety in the selection or compensation of finance professionals, this jurisdiction should use the competitive method of sale when the following conditions exist:
  - a. the issuer is familiar with the market;
  - b. the issuer is a stable and regular borrower;
  - c. there is an active secondary market for the issuer's bonds;
  - d. the issue has a non-enhanced credit rating of A or above or can obtain a credit enhancement prior to the competitive sale;
  - e. the debt is backed by a strong and stable revenue source (i.e. full faith and credit or well-known and stable revenue stream);
  - f. the issue is neither too large nor too small;
  - g. the issue or debt instrument is not viewed as complex, innovative or requiring explanation;
  - h. interest rates are stable, market demand is strong and the market is not saturated with comparable credits; and
  - i. policy considerations, such as minority business enterprise (MBE) participation and regional firm participation, can be reasonably addressed through the Notice of Sale.



Policy No. 95-1

3. Specified practices shall be followed which ensure that negotiated sales are subject to a competitive and accountable process. In the event that a competitive sale is not feasible or practical based on an analysis of the above-mentioned factors, a negotiated sale may be appropriate. When negotiating a sale, however, the County should:
  - a. ensure fairness in the selection of underwriter by considering multiple proposals;
  - b. remain actively involved in each step of the negotiation and sale process;
  - c. ensure that adequate municipal finance expertise is available, either from in-house staff or independent finance professionals;
  - d. avoid conflicts of interest which may occur when the County's financial advisor also acts as its underwriter;
  - e. request financing professionals to disclose firms and personnel engaged to promote their interests;
  - f. request financing professionals to disclose joint proposals, joint accounts and fee-splitting arrangements, plans, parties and changes thereto; and
  - g. require submission of review and monitor compliance with "agreement Among Underwriters."
  
4. If neither the straight competitive nor the negotiated sale fits the Board's needs, it may consider alternative approaches, which may include but are not limited to:
  - a. combining the flexibility offered by negotiated sale and competition in the pricing offered by competitive sale by utilizing the legal framework of a negotiated sale but price the issue through solicitation of bids from interested underwriters; and
  - b. minimize cost of engaging outside expertise by "unbundling" financial services - hiring a financial advisor or investment banker only for certain portions of the sale.



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FAX: (941) 649-6217

## Memo

**To:** Leon County Finance Committee  
**From:** William J. Reagan, Financial Advisor  
**Date:** February 12, 2003  
**Re:** Selection of Underwriters and Method of Sale for Purchase of Bank of America Building

You have requested that we provide our recommendation regarding the selection process of underwriters and the method of sale for the proposed purchase of the Bank of America building by Leon County, Florida. For your review, have summarized our recommendations below.

### **Negotiated vs. Competitive Process**

As discussed in detail at our February 7, 2003 finance committee meeting, there are a number of issues that need to be analyzed prior determining whether a bond transaction should be issued competitively or a request for proposal be issued for underwriters for a negotiated sale. Additionally, the County has adopted Policy 95-1 that provides guidelines for the method of sale for a bond transaction. Specifically, the policy states that for a bond transaction to be issued competitively "the issue or debt is not viewed as complex, innovative or requiring explanation in the market". In any case, our position as the County's financial advisor is made with a view toward securing the lowest possible costs of borrowing as well as accomplishing specific financing requirements and staying within the policies of the County.

Because this transaction is all of the above, complex, innovative and requires extensive explanation, we recommend that the County offer the bonds in a negotiated sale. The complexity of this transaction is the eligibility of debt to be issued on a tax-exempt basis due to the current tenant use (private use) of the facility. The financial structure will be unique to the County by issuing a combination of taxable debt and a small portion of tax-exempt debt. Because local governments are generally not large participants in the taxable markets, a well directed premarketing plan must be instituted by the underwriters to properly secure the lowest cost of borrowing. Furthermore, timing of the transaction will require a specific level of care to (1) meet the real estate closing timetable of the facility, and (2) timely pricing of the bonds to secure the lowest possible costs.

### **Selection of Underwriters on a Negotiated Sale**

In 1999 Leon County issued a request for qualifications to investment banking firms soliciting their expertise and interest in serving the County for future capital market financings. At that time it was contemplated that the County would issue debt for various refundings and new money projects secured by the possible extension of the County's sales surtax. The County's finance committee went through a laborious process of evaluating 15 proposals and eventually short-listed nine firms for oral interviews. Completing the process, the finance committee recommended to the Board of County Commissioners a group of five underwriters for a term of three years with a one-time two year extension. The Board of County Commissioners approved the underwriting group of Solomon Smith Barney, A.G. Edwards,

Paine Webber, First Union and Jackson Securities. Currently, all firms are active in the underwriting business with the exception of First Union who has voluntarily dropped out of the group. Subsequent to the approval, Solomon Smith Barney and Jackson Securities were assigned to underwrite the County's Capital Improvement Refunding Bonds Series 1999. Since that time, the County has not issued any debt that required services of underwriter(s) from the approved list.

Because the approved list includes top ranked firms in the municipal business and time is of the essence, we recommend that County consider selecting underwriters from the approved list and give strong consideration to the firms that have not participated in any County financing.

**Summary Recommendation:**

1. Recommend the Board of County Commissioners extend the selection of underwriters for two years or for this financing.
2. Recommend that the method of sale be negotiated.

**LEON COUNTY, FLORIDA**

**REQUEST FOR PROPOSALS**

**FOR**

**INVESTMENT BANKING SERVICES**

**RFP # BC-03-18-03-32**

**LEON COUNTY, FLORIDA  
REQUEST FOR PROPOSALS FOR  
INVESTMENT BANKING SERVICES**

Attachment # 2  
Page 13 of 24

**I. INTRODUCTION**

**A. Objectives**

Leon County is requesting proposals from qualified firms to provide investment banking services to the County. Leon County is going to select investment banking services from one or more underwriters for the express intent of issuing bonds associated with the financing described below.

The County is currently considering the purchase of an existing office building located in the City of Tallahassee in Leon County and other capital improvements. The building would provide additional office space for administrative functions of the County. A portion of the building is currently leased to private tenants and the remainder of the building would be available to the County. It is anticipated that as leases expire, the County will assume the space to eventually occupy the entire building.

The proposed cost of the building and renovation is estimated at approximately \$23 million. The County intends to use existing resources to fund \$7 million of the project and issue debt for the remaining \$16 million. The County plans to issue debt secured by the half cent sales tax and guaranteed entitlement. The \$16 million will include \$13 million in municipal taxable debt and the balance of \$3 million in tax exempt debt. The other capital improvements will be in the amount of \$4.0 million in tax exempt debt. The total debt anticipated to be issued is therefore \$13 million in municipal taxable debt and \$7.0 million in tax exempt debt.

**B. Proposal Submission Instructions**

**1. Sealed Proposals**

All proposals shall be submitted in a sealed envelope on or before 3:00 P.M. on February 28, 2003. Late proposals will not be opened or considered. Proposals shall be addressed and delivered to:

Purchasing Division  
Leon County, Florida  
2284 Miccosukee Road  
Tallahassee, FL 32308

An original and six(8) copies of the Response must be furnished on or before the deadline. Responses will be retained as property of the County. The proposal marked "Original" must contain a manual signature of an authorized representative of the responding firm or individual, all others may be photocopies.

The County reserves the right to reject any and all proposals, to waive any informalities or irregularities not involving price in any proposals received, to re-advertise for proposals, or take any other such actions that may be deemed to be in the best interest of the County.

**2. Proposal Response**

Each proposal should address all pertinent areas and be specific. Any conditions should be clearly stated.

The failure to disclose substantive terms, conditions and covenants may be considered cause for the offeror's proposal to be rejected by the County. To assist you with your response, we have attached a copy of our most recent report to the bondholders of Leon County.

**3. Questions, Additional Information**

All requests for clarifications or additional information should be directed, in writing, to:

Mr. Keith Roberts, Purchasing Director  
Leon County, Florida  
2284 Miccosukee Road  
Tallahassee, Florida 32308  
Phone: (850) 488-6949  
Fax: (850) 922-4084  
E-mail: [keith@mail.co.leon.fl.us](mailto:keith@mail.co.leon.fl.us)

**4. Tentative Schedule**

The County will attempt to adhere to the following schedule:

February 28, 2003	RFP Issued
March 18, 2003	Written responses due prior to 3:00 P.M.
March 25, 2003	Finance Committee meets to analyze proposals and recommend selection of underwriters
April 8, 2003	Board of County Commissioners approves selection of underwriters and appropriate documents

The County reserves the right to alter scheduled dates, if necessary.

**5. General Terms and Conditions**

- a. All proposals become property of the County.
- b. All proposals must include a signed, Sworn Statement under Section 287.133(3)(a), Florida Statutes, on Public Entity Crimes (Exhibit A).
- c. Leon County reserves the right to reject any and all proposals, and to request clarification of information from any proposer.
- d. Leon County will not reimburse proposers for any costs associated with the preparation and submittal of any proposal.
- e. Proposer acknowledges that all information contained within its proposal is part of the public domain as defined by the State of Florida Sunshine and Public Records Laws.
- f. The awards made pursuant to this RFP are subject to the provisions of Chapter 112, Florida Statutes. All proposers must disclose with their proposal the name of any officer, director, or agent who is also an employee of Leon County. Further, all proposers must disclose the name of any County employee who owns, directly or indirectly, an interest of five (5%) percent or more in the proposer's firm or any of its branches/subsidiaries.
- g. Proposers, their agents and/or associates shall refrain from contacting or soliciting any County official regarding this RFP during the selection process. Failure to comply with this provision may result in disqualification of the Proposer, at the option of the County. Only the individual listed in paragraph B.3. of this proposal shall be contacted.

- h. **Non-Discrimination:** There shall be no discrimination as to race, sex, color, creed or national origin in the operations conducted under this engagement.
- i. **Special Accommodation:** Any person requiring a special accommodation at a Pre-Bid Conference or Bid/RFP opening because of a disability should call the Division of Purchasing at (850) 488-6949 at least five (5) workdays prior to the Pre-Bid Conference or Bid/RFP opening. If you are hearing or speech impaired, please contact the Purchasing Division by calling the County Administrator's Office using the Florida Relay Service which can be reached at 1(800) 955-8771 (TDD).
- j. On any financing, the County reserves the right to designate the percentage of participation of each member of the investment banking team in terms of management fee (if any), joint and several liability and allocation retention of Bonds by maturity.
- k. **Local Preference in Purchasing and Contracting**
  - 1. In purchasing of, or letting of contracts for procurement of, personal property, materials, contractual services, and construction of improvements to real property or existing structures for which a request for proposals is developed with evaluation criteria, a local preference of not more than five percent (5%) of the total score shall be assigned for a local preference for local businesses. Vendors are directed to the evaluation criteria contained herein to be aware of any local preference points to be assigned for this request for proposals.
  - 2. **Local business definition.** For purposes of this section, "local business" shall mean a business which:
    - a) Has had a fixed office or distribution point located in and having a street address within Leon County for at least six (6) months immediately prior to the issuance of the request for competitive bids or request for proposals by the County; and
    - b) Holds any business license required by the County, and, if applicable, the City of Tallahassee; and
    - c) Employs at least one (1) full time employee, or two (2) part time employees whose primary residence is in Leon County, or, if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence is in Leon County.
  - 3. **Certification** Any vendor claiming to be a local business as defined, shall so certify in writing to the Purchasing Division. The certification shall provide all necessary information to meet the requirements of above. The Local Vendor Certification Form is enclosed. The purchasing agent shall not be required to verify the accuracy of any such certifications, and shall have the sole discretion to determine if a vendor meets the definition of a "local business."

**6. Scope of Services**

The County's Financial Advisor will present this credit to the bond rating agencies and insurers. The Underwriter's Counsel will be responsible for the preparation of the Preliminary Offering Statement and Offering Statement with respect to the sale of the bonds.

Any Co-Managing Underwriters selected will be responsible for assisting the Senior Managing Underwriter in the marketing and distribution of the Bonds. The County reserves the right to dictate the level of involvement of any Co-Managing Underwriter selected.

**II. EVALUATION OF PROPOSALS - CRITERIA**

Members from the County Administrator's Office, The Clerk of the Circuit Court's Office, The Budget Office and the County Attorney's Office will evaluate the responses in accordance with the requirements of this RFP. If further information is desired, an Underwriter may be requested to make additional written submissions or oral presentations before the Selection Committee makes its recommendation. The Committee will recommend one proposal to the Board of County Commissioners for final selection based on all information in responses and/or oral presentations. The Selection Committee shall base its recommendations on the following factors, associated ranking points are included:

1. Experience, qualifications and technical ability of the firm as demonstrated by proposal responses and background knowledge (15 points).
2. Experience in serving as senior book-running manager for Florida local governments (20 points).
3. Professional qualifications of the personnel in the firm who would be assigned to the County (20 points).
4. Bond distribution capabilities in the municipal taxable market and the firm's capital position (20 points).
5. Longevity of commitment to Florida municipal finance (10 points).
6. Minority/Women Owned Business Enterprise Participation (10 points).
7. Local Preference (5 points).

**III. INFORMATION TO BE INCLUDED IN THE PROPOSAL**

- A. Letter of transmittal (1 page)
- B. Table of Contents: Include a clear identification of the material by section.
- C. Questions: Please limit your response to 25 pages.
  1. Provide a brief history of your firm, its principal locations and its presence in the State of Florida.
  2. Provide a tabular presentation of the following information for the last three completed fiscal years:
    - a. Total Firm Capital
    - b. Total Equity Capital
    - c. Uncommitted Excess Net Capital



- d. Average Daily Position – Municipal Fix Income Securities
- e. Average Daily Uncommitted Capital
3. Discuss your firm's ability and willingness to commit capital, if necessary, to underwrite a bond issue without corresponding and offsetting orders. Provide relevant examples of the firm's underwriting commitments in both the tax exempt and taxable markets.
4. Provide a list of all negotiated transactions for which your firm has served as Senior Managing Underwriter for Florida issues as follows:
  - a. Limit list to financings closed after January 1, 2000 through the present.
  - b. Include details for each financing including:
    - Issuer and name of issue
    - Maturity date
    - Principal amount
    - Insurance provider/underlying rating
    - Spread
5. Identify three (3) Florida clients that the County can contact as references with respect to the firm's recent (previous 12 months) work performance as senior manager in Florida transactions. For each reference include current contact name, title, address and phone number.
6. Underwriter's Counsel will prepare the disclosure documents. Please list the names and addresses of three firms intended to be used by the underwriter. The County expects the law firms being considered to be listed in The Bond Buyer's Municipal Market Place Directory ("Red Book").
7. Discuss your firm's experience in underwriting taxable bonds of more than \$5 million and less than \$25 million. Provide the structure, term, interest rate and credit ratings. Discuss your firm's marketing capability for taxable debt.
8. Provide information on two comparable municipal taxable financings that your firm has recently completed.
9. On any financing for which your firm serves as Senior Managing Underwriter, provide the location of the underwriting desk that will price bonds. Also include a resume detailing experience of the firm's underwriter at this location. Set forth the names, titles and locations of the individual(s) who must approve underwriting commitments.
10. Identify the individual that would have overall responsibility in the firm's investment banking engagement with the County. Include a detailed resume of such individual, including prior employment. The County may wish to interview those individuals proposed to be the principal contacts with Leon County.
11. Identify other individuals that would be assigned to the County. Include a resume of one page or less of each individual and indicate the function they would perform.
12. Describe any litigation or regulatory action filed against the firm in its role as Investment Banker or Financial Advisor in the last three (3) years, and the resolution thereof.

**IV. MINORITY BUSINESS ENTERPRISE AND EQUAL EMPLOYMENT OPPORTUNITY POLICIES:**

**A. Minority Business Enterprise Requirements**

Firms responding to this RFP are hereby made aware of the County's goals for MBE utilization. Respondents should contact Agatha Muse-Salters, Leon County MBE Coordinator,

**Bid Title: Request for Proposals for Investment Banking Services**  
**Bid Number: BC-03-18-03-32**  
**Opening Date: Tuesday, March 18, 2003 at 3:00 PM**

Attachment # 2  
Page 18 of 24

at phone (850) 488-7509; fax (850) 487-0928; e-mail [saltersa@mail.co.leon.fl.us](mailto:saltersa@mail.co.leon.fl.us) for additional information.

As a part of the selection process for this project, the ranking procedure will provide a maximum of ten (10) percent of the total score where MWBE's are used as follows:

<u>MBE Participation Level</u>	<u>Percentage</u>
--------------------------------	-------------------

The respondent is certified as a Minority Business Firm with Leon County, as defined in the County's MWBE policy.	10
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The respondent is a joint venture of two or more firms/individuals with a minimum participation in the joint venture of at least 20% by certified minority business firms/individuals.	8
--	---

The respondent has certified that a minimum of 15.5% of the ultimate fee will be subcontracted to certified MBE Firm(s), and has identified in the proposal the MBE Firm(s) that it intends to use.	6
---	---

**B. Equal Opportunity/Affirmative Action Requirements**

The contractors and all subcontractors shall agree to a commitment to the principles and practices of equal opportunity in employment and to comply with the letter and spirit of federal, state, and local laws and regulations prohibiting discrimination based on race, color, religion, national region, sex, age, handicap, marital status, and political affiliation or belief.

For federally funded projects, in addition to the above, the contractor shall agree to comply with Executive Order 11246, as amended, and to comply with specific affirmative action obligations contained therein.

In addition to completing the Equal Opportunity Statement, the Respondent shall include a copy of any affirmative action or equal opportunity policies in effect at the time of submission.

**V. ETHICAL BUSINESS PRACTICES**

- A. Gratuities. It shall be unethical for any person to offer, give, or agree to give any County employee, or for any County employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or performing in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, subcontract, or to any solicitation or proposal therefor.

**Bid Title: Request for Proposals for Investment Banking Services**

**Bid Number: BC-03-18-03-32**

**Opening Date: Tuesday, March 18, 2003 at 3:00 PM**

Attachment # 2  
Page 19 of 24

- B. Kickbacks. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.
- C. The Board reserves the right to deny award or immediately suspend any contract resulting from this proposal pending final determination of charges of unethical business practices. At its sole discretion, the Board may deny award or cancel the contract if it determines that unethical business practices were involved.

**Bid Title: Request for Proposals for Investment Banking Services**  
**Bid Number: BC-03-18-03-32**  
**Opening Date: Tuesday, March 18, 2003 at 3:00 PM**

Attachment # \_\_\_\_\_  
Page 20 of 24

## PROPOSAL RESPONSE COVER SHEET

This page is to be completed and included as the cover sheet for your response to the Request for Proposals.

The Board of County Commissioners, Leon County, reserves the right to accept or reject any and/or all bids in the best interest of Leon County.

Keith M. Roberts, Purchasing Director

Tony Grippa, Chairman  
Leon County Board of County Commissioners

This bid response is submitted by the below named firm/individual by the undersigned authorized representative.

BY

\_\_\_\_\_  
(Firm Name)

\_\_\_\_\_  
(Authorized Representative)

\_\_\_\_\_  
(Printed or Typed Name)

ADDRESS

CITY, STATE, ZIP

TELEPHONE

FAX

### ADDENDA ACKNOWLEDGMENTS: (IF APPLICABLE)

Addendum #1 dated \_\_\_\_\_ Initials \_\_\_\_\_

Addendum #2 dated \_\_\_\_\_ Initials \_\_\_\_\_

Addendum #3 dated \_\_\_\_\_ Initials \_\_\_\_\_

Bid Title: Request for Proposals for Investment Banking Services  
Bid Number: BC-03-18-03-32  
Opening Date: Tuesday, March 18, 2003 at 3:00 PM

Attachment # 2  
Page 21 of 24

SWORN STATEMENT UNDER SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR  
OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Leon County Board of County Commissioners

by \_\_\_\_\_  
[print individual's name and title]

for \_\_\_\_\_  
[print name of entity submitting sworn statement]

whose business address is: \_\_\_\_\_

and (if applicable) its Federal Employer Identification Number (FEIN) is \_\_\_\_\_

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_).

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- a. A predecessor or successor of a person convicted of a public entity crime: or
  - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives,

partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. [Indicate which statement applies.]

\_\_\_\_\_ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However there has been a subsequent proceeding before a hearing a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. [Attach a copy of the final order.]

**I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.**

\_\_\_\_\_  
(signature)

Sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Personally known \_\_\_\_\_ OR Produced identification \_\_\_\_\_  
(Type of Identification)

\_\_\_\_\_  
**NOTARY PUBLIC**

Notary Public - State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Printed, typed, or stamped commissioned name of notary public

**MINORITY BUSINESS ENTERPRISE PROGRAM  
PARTICIPATION OF MBEs/WBEs**

1. FIRM NAME \_\_\_\_\_
2. FLORIDA CORPORATE REGISTRATION NUMBER \_\_\_\_\_
3. ADDRESS (Assigned Project Office) \_\_\_\_\_
4. MBE PARTICIPATION - MBE firms and sub-contractors must be certified with the State of Florida, the Florida Department of Transportation, the City of Tallahassee, or Leon County to qualify for MBE participation credit.

**MBE Participation Level**

**Points**

- |   |    |
|---|----|
| _____ The respondent is certified as a Minority Business Firm with Leon County, as defined in the County's MBE policy.  | 10 |
| _____ The respondent is a joint venture of two or more firms/individuals with a minimum participation in the joint venture of at least 20% by certified minority business firms/individuals.              | 8  |
| _____ The respondent has certified that a minimum of 15.5% of the ultimate fee will be subcontracted to certified MBE Firm(s), and has identified in the proposal the MBE Firm(s) that it intends to use. | 6  |

The vendor acknowledges the Leon County MBE policy and the provisions specified for this RFP. If applicable, vendor certifies that the above list of minority vendors and the respective contract amounts and percentages of the total bid are accurate. In witness, hereof, the vendor has hereunto set his signature and affixed his seal this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 20\_\_\_\_.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- a) Has had a fixed office or distribution point located in and having a street address within Leon County for at least six (6) months immediately prior to the issuance of the request for competitive bids or request for proposals by the County; and
- b) Holds any business license required by the County, and, if applicable, the City of Tallahassee (please attach copies); and
- c) Employs at least one (1) full time employee, or two (2) part time employees whose primary residence is in Leon County, or, if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence is in Leon County.

Please complete the following in support of the self-certification and submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name:	Phone:
Current Local Address:	Fax:
If the above address has been for less than six months, please provide the prior address.	
Length of time at this address	
Number of Employees and hours worked per week by each:	
Name and Address of Owner(s) who reside in Leon County and who in total own at least 50% or more of the business. Attach additional sheets as necessary.	Percentage of Ownership
1.	
2.	

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_ of \_\_\_\_\_,

(Name of officer or agent, title of officer or agent)

(Name of corporation acknowledging)

a \_\_\_\_\_ corporation, on behalf of the corporation. He/she is personally known to me

(State or place of incorporation)

or has produced \_\_\_\_\_ as identification.

(type of identification)

Return Completed form with  
supporting documents to:

Leon County Purchasing Division  
2284 Miccosukee Road  
Tallahassee, Florida 32308

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Print, Type or Stamp Name of Notary

\_\_\_\_\_  
Title or Rank